

UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF WISCONSIN  
COURT MINUTES

CHAPTER 11  
DATE: May 13, 2010  
JUDGE: Margaret Dee McGarity  
CASE NO.: 10-20464-MDM  
DEBTOR: Quality Candy Shoppes/Buddy Squirrel of Wisconsin, Inc.  
NATURE OF HEARING: Approval of the sale of substantially all of the debtor's assets.  
APPEARANCES: Jonathan Goodman, Attorney for Debtor in Possession  
Margaret Gile, President of Debtor in Possession  
Katherine Perhach, Attorney for Quality Squirrel Acquisition, LLC  
Trevor D'Souza, Member of Quality Squirrel Acquisition, LLC  
Richard Koenings, Member of Quality Squirrel Acquisition, LLC  
Patrick Howell, Attorney for Harris Bank  
Justin Szalanski, Attorney for Harris Bank  
Mark Kaufmann, Vice President of Harris Bank  
Robert Storm, Attorney for American Industrial Leasing Co.  
David Pollack, Attorney for GGP Limited Partnership  
Ronald Tucker, Attorney for Simon Property Group (telephone)  
Amy Ginsberg, Trial Attorney for US Trustee  
LAW CLERK: Kris Trapp  
TIME: 3:02 pm - 4:25 pm

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Several of the landlords' limited objections were resolved prior to the hearing. Having received a copy of the asset purchase agreement, counsel for the landlords withdrew their request for an adjournment of the hearing. The landlords have made and will continue to make arrangements with the buyer, Quality Squirrel Acquisition, regarding access to and/or continued operations at the retail premises. The landlords opposed the distribution of all sale proceeds to the secured lender, Harris Bank, until the former's rights in those proceeds are established under § 506(c) or § 365(d) of the Bankruptcy Code.

The Court approved the sale of substantially all of the debtor's assets to Quality Squirrel Acquisition, LLC. The assets were marketed broadly and the auction was conducted in accordance with established procedures. The sale has been proposed in good faith and the transaction has been and will be conducted at arms' length to a non-insider purchaser. The proceeds of the sale may be released to Harris Bank.

Ms. Perhach will submit an order; the seven day hold period has been waived.